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Yelm Telephone Company

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FCC LIT. 98-77

August 5, 1998

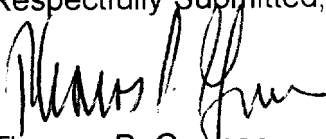
Federal Communications Commission  
1919 M Street NW, Room 814  
Washington, DC 20554

**RE: CC Docket No. 98-77**

Dear Sir or Madam:

The enclosed comments from Yelm Telephone Company are provided in regard to the above referenced docket. Thank you for your consideration.

Respectfully Submitted,



Thomas P. Gorman  
Yelm Telephone Company

Enclosures

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Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554

In the Matter of )

Access Charge Reform for Incumbent )  
Local Exchange Carriers Subject to )  
Rate-of-Return Regulation )

CC Docket No. 98-77

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FCC 1-1-98-213

**Comments of Yelm Telephone Company**

Yelm Telephone Company is a small local exchange carrier located in rural Washington State serving 11,000 access lines. These comments focus on the impact of certain proposals included in the Notice of Proposed Rulemaking (NPRM) for access reform for rate-of-return incumbent local exchange carriers.

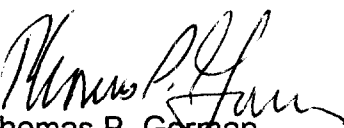
Specifically, Yelm Telephone opposes the proposed rule change to allocate a portion of the General Support Facilities to the Billing and Collection category. While this procedure may be appropriate for price cap companies who provision Billing & Collection services using their own computers, it is not appropriate for small rural LECs like Yelm Telephone Company that rely heavily on service bureaus for the provisioning of this service. We have very little opportunity to reduce billing & collection costs because we are dependent on an out-of-state service bureau for providing this service. Other rule changes over the years have tended to allocate more and more cost to the interstate billing and collection category to the point that many small companies can no longer cover expenses and realize a return on this service. This proposed change to the Part 69 allocation rules will provide many small LECs with the unintended incentive to

terminate Billing & Collection agreements with IXC's. This does not benefit us or our customers!!

In 1996 Yelm Telephone Company had \$95,147 revenue for the interstate billing and collection service compared to a cost of \$167,162 resulting in a loss of \$72,015 before the OB&C change and the proposed GSF change. The change in OB&C rules applied to the 1996 cost results in an interstate billing and collection cost of \$190,219 which increases the loss on the service to \$95,072. Taking this analysis to the next step and folding in the proposed GSF change results in a cost assigned to interstate billing and collection of \$260,681, increasing the loss on the service to \$165,534.

We ask the Commission to reject the proposed change, which would jeopardize the billing and collection service currently provided to interexchange carriers.

Respectfully submitted,

  
Thomas P. Gorman  
Yelm Telephone Company

August 5, 1998